

# BTO Report

LEITI Ten-Days MSG CSOs Constituent  
Engagement in the Southeast

August 12, 2021

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## I. EXECUTIVE SUMMARY

As part of strengthening natural resource governance and ensuring of equitable distribution of the country's natural resources, Civil Society Organizations Constituent of the LEITI's MSG decided to carry on ten days' constituency engagement on the 2019 EITI Standards, 12<sup>th</sup> LEITI Report, LEITI's Acts and other EITI implementing activities in Liberia to five Southeast. The trip was comprised of a four members team namely; Cecelia Danuweli of Publish What You Pay (PWYP), Winston Wreh of Liberia Labor Congress (LLC), Daniel Nyankonah of the Press Union of Liberia (PUL) and J. Elijah Kai of the LEITI Secretariat.

The ten days long engagement forum brought together a little over one thousand five hundred participants from five Southeastern Cities of Liberia, namely: Zwedru, Fish Town, Harper, Barclayville and Greenville. The participants attending the engagement forum were citizens from the women group, men, youth/students community, labor sector and the Fourth Estate/Press Union of Liberia. The engagement was sponsored by African Development Bank (AfDB) through MFDP (PMU).

## PLANNING

The Planning of the ten days LEITI's MSG Civil Society Organizations (CSOs) constituent engagement on the 2019 EITI Standards, 12<sup>th</sup> LEITI Report, LEITI's Acts and other EITI implementing activities in Liberia for the Southeast involved the working efforts of MSG members, Cecelia Danuweli of Publish What You Pay (PWYP), Winston Redd of Labor Congress, Daniel Nyankonah of the Press Union of Liberia (PUL), Jeffrey N. Yates, Head of LEITI Secretariat, George N. Dennis, Acting Finance Director and J. Elijah Kai, Industry/Sector Analyst LEITI. There were meetings held to review and correct plans, programs and logistics to insure a successful engagement.

The Finance Department took care of logistics, accommodation/logging, sitting fees for participants and per diem for all the team members who made the trip.

## II. REASON FOR THE ENGAGEMENT

The LEITI's MSG CSOs Engagement was aimed at conducting a ten days' interactive town hall meetings among citizens on the 12<sup>th</sup> LEITI report, the LEITI's Act, the 2019 EITI Standards and other implementing EITI activities ongoing in Liberia. The engagement process will provide citizen the opportunity to know about the LEITI's Act, discuss, understand and ask questions about the total extractive revenue collected for FY2018/2019 by Government of Liberia from companies operating in the extractive sector including total social contribution made by some extractive companies. Participants will also have the opportunity to have an idea about LEITI endeavor to maintain a publicly available register of beneficial owners of corporate entities (companies) that hold relevant

interest in extractive assets, such information among other things that will include their identities and level of ownership in the operations of the companies. The engagement will also provide participants with an idea about the EITI's New Validation Module and how it seeks to engage stakeholders throughout the process and ensure that intended outcomes of EITI implementation are been met.

### **III. PRESENTATIONS FROM LEITI MSG CSOs CONSTITUENT AND LEITI SECRETARIAT**

There were sections of presentations made during the engagement with participants in the five targeted county's capitals covering Beneficiary Ownership Disclosure (BOD) and LEITI's 12<sup>th</sup> Report for FY2018/2019.

#### ***Zwedru, Grand Gedeh County***

##### **a. Multi-stake holders Steering Group (MSG)**

Mrs. Cecelia Danuweli of the PWYP spoke on the "Beneficiary Ownership Disclosure. Her presentation was centered around disclosure of natural persons with shareholdings and persons of influence over the action of the extractive company. To the participants, she also stressed that under this arrangement, LEITI wants for the top five beneficial owners in any extractive company to be disclosed while operating in Liberia.

##### **b. LEITI Secretariat**

Mr. J. Elijah Kai of the LEITI Secretariat presented on the 12<sup>th</sup> LEITI's Report for the FY2018/2019. He spoke on how the 12<sup>th</sup> Report was produced using the Flexible Reporting Framework as adopted by the EITI Board so as to ensure that EITI implementation safely contributes to global and national response to the COVID-19 pandemic while upholding commitments to transparency, accountability and multi-stakeholder dialogue. He also highlighted to the participants that the 12<sup>th</sup> Report showed that Government of Liberia generated from extractive companies, USD 70.5 million in Direct Revenue and USD79.6 million in Total Revenue for the FY2018/2019, indicating Arcelor Mittal and Firestone Liberia being the two companies that made the two highest contributions for the period with 23.9% and 18.4% respectively. In his presentation he also said, Social Contribution for the period amounted to USD4.8 million while LRA among the four government collecting agencies collected 85% of government revenue from extractive companies. Payroll taxes and royalties were the highest contributors in terms of revenue streams with 28.7% and 13.9% respectively.

#### **Questions from participants**

From the two presentations in Zwedru, the following few questions were asked.

1. How can LEITI help citizens living in concession communities attend county sitting meetings called by county officials?

2. How much was the total amount contributed by extractive companies for the period under review?
3. What is meant by Beneficial Ownership Disclosure?
4. How many extractive companies made social contributions for the FY2018/2019?

These were the four major questions asked by participants during the engagement held in Zwedru, Grand Gedeh County. These questions were addressed appropriately by the presenters.

*Fish Town, River Gee County*

**a. Multi-stake holders Steering Group (MSG)**

Mr. Daniel Nyankonah of the PUL spoke on the “Beneficiary Ownership Disclosure. His presentation was centered around disclosure of natural persons with shareholdings and persons of influence over the action of the extractive company. He also emphasized to the participants that under this arrangement, LEITI wants for the top five beneficial owners in any extractive company to be disclosed while operating in Liberia.

**b. LEITI Secretariat**

Mr. J. Elijah Kai of the LEITI Secretariat presented on the 12<sup>th</sup> LEITI’s Report for the FY2018/2019. He spoke on how the 12<sup>th</sup> Report was produced using the Flexible Reporting Framework as adopted by the EITI Board so as to ensure that EITI implementation safely contributes to global and national response to the COVID-19 pandemic while upholding commitments to transparency, accountability and multi-stakeholder dialogue. He also highlighted to the participants that the 12<sup>th</sup> Report showed that Government of Liberia generated from extractive companies, USD 70.5 million in Direct Revenue and USD79.6 million in Total Revenue for the FY2018/2019, indicating Arcelor Mittal and Firestone Liberia being the two companies that made the two highest contributions for the period with 23.9% and 18.4% respectively. In his presentation he also said, Social Contribution for the period amounted to USD4.8 million while LRA among the four government collecting agencies collected 85% of government revenue from extractive companies. Payroll taxes and royalties were the highest contributors in terms of revenue streams with 28.7% and 13.9% respectively.

Questions asked in Fish Town, River Gee from the presentations.

1. How much was the total amount contributed by extractive companies for the FY2018/2019?
2. How can money collected by Government of Liberia from extractive companies made social contributions help the citizen of River Gee?
3. How many extractive companies made social contribution for FY2018/2019?

## *Harper, Maryland County*

### **a. LEITI Secretariat**

Mr. J. Elijah Kai of the LEITI Secretariat presented on the 12<sup>th</sup> LEITI's Report for the FY2018/2019. He spoke on how the 12<sup>th</sup> Report was produced using the Flexible Reporting Framework as adopted by the EITI Board so as to ensure that EITI implementation safely contributes to global and national response to the COVID-19 pandemic while upholding commitments to transparency, accountability and multi-stakeholder dialogue. He also highlighted to the participants that the 12<sup>th</sup> Report showed that Government of Liberia generated from extractive companies, USD 70.5 million in Direct Revenue and USD79.6 million in Total Revenue for the FY2018/2019, indicating Arcelor Mittal and Firestone Liberia being the two companies that made the two highest contributions for the period with 23.9% and 18.4 respectively. In his presentation he also said, Social Contribution for the period amounted to USD4.8% while LRA among the four government collecting agencies collected 85% of government revenue from extractive companies. Payroll taxes and royalties were the highest contributors in terms of revenue streams with 28.7% and 13.9% respectively.

### **b. Multi-stake holders Steering Group (MSG)**

Mr. Winston Wreh of the Liberia Labor Congress spoke on the "Beneficiary Ownership Disclosure. His presentation was addressed around disclosure of natural persons with shareholdings and persons of influence over the action of the extractive companies. He also stressed that under this arrangement, LEITI wants for the top five beneficial owners in any extractive company to be disclosed while operating in Liberia. Participants had the opportunity to learn that Liberia and its citizens will loss more revenues from extractive companies if the rightful owners of companies are not disclosed. He told participants that LEITI will make sure that the real owners of concession companies are known so that Government of Liberia can collect lawful taxes that will benefit the country and its people.

Four questions were asked in Harper, Maryland County

1. What role does LEITI plays for social contributions from extractive companies to benefit the ordinary citizen who lived in concession communities?
2. How are social contributions paid by companies from the extractive sector distributed in the counties that have concession?
3. Does every county that have extractive companies control their own money received from social contributions?
4. How will Beneficial Ownership help Government of Liberia to collect lawful revenue through taxes?

*Barclayville, Grand Kru County*

**a. Multi-stake holders Steering Group (MSG)**

Mr. Abraham B. Garppie of the Mineral Civil Society Organization of Liberia spoke on the “Beneficiary Ownership Disclosure. His presentation was centered around disclosure of natural persons with shareholdings and persons of influence over the action of the extractive company. He also stressed that under this arrangement, LEITI wants for the top five beneficial owners in any extractive company to be disclosed while operating in Liberia.

**b. LEITI Secretariat**

Mr. J. Elijah Kai of the LEITI Secretariat presented on the 12<sup>th</sup> LEITI’s Report for the FY2018/2019. He spoke on how the 12<sup>th</sup> Report was produced using the Flexible Reporting Framework as adopted by the EITI Board so as to ensure that EITI implementation safely contributes to global and national response to the COVID-19 pandemic while upholding commitments to transparency, accountability and multi-stakeholder dialogue. He also highlighted that the 12<sup>th</sup> Report showed that Government of Liberia generated from extractive companies, USD 70.5 million in Direct Revenue and USD79.6 million in Total Revenue for the FY2018/2019, indicating Arcelor Mittal and Firestone Liberia being the two companies that made the two highest contributions for the period with 23.9% and 18.4% respectively. In his presentation to participants he also said, Social Contribution for the period amounted to USD4.8 million while LRA among the four government collecting agencies collected 85% of government revenue from extractive companies. Payroll taxes and royalties were the highest contributors in terms of revenue streams with 28.7% and 13.9% respectively.

Two questions were asked in Barclayville, Grand Kru County

1. How can the citizens benefit from social contributions paid by Golden Veroleum and other companies operating in the county?
2. How must did Golden Veroleum pay to Government of Liberia as social contribution in counties she operates for the FY2018/2019?

*Greenville, Sinoe County*

**a. Multi-stake holders Steering Group (MSG)**

Mrs. Cecelia Danuweli of the PWYP spoke on the “Beneficiary Ownership Disclosure. Her presentation was centered around disclosure of natural persons with shareholdings and persons of influence over the action of the extractive company. She also stressed that under this arrangement, LEITI wants for the top five beneficial owners in any extractive company to be disclosed while operating in Liberia.

**b. LEITI Secretariat**

Mr. J. Elijah Kai of the LEITI Secretariat presented on the 12<sup>th</sup> LEITI’s Report for the FY2018/2019. He spoke on how the 12<sup>th</sup> Report was produced using the Flexible Reporting Framework as adopted by the EITI Board so as to ensure that EITI

implementation safely contributes to global and national response to the COVID-19 pandemic while upholding commitments to transparency, accountability and multi-stakeholder dialogue. He also highlighted that the 12<sup>th</sup> Report showed that Government of Liberia generated from extractive companies, USD 70.5 million in Direct Revenue and USD79.6 million in Total Revenue for the FY2018/2019, indicating Arcelor Mittal and Firestone Liberia being the two companies that made the two highest contributions for the period with 23.9% and 18.4% respectively. In his presentation to participants he also said, Social Contribution for the period amounted to USD4.8 million while LRA among the four government collecting agencies collected 85% of government revenue from extractive companies. Payroll taxes and royalties were the highest contributors in terms of revenue streams with 28.7% and 13.9% respectively.

Five questions were asked in Greenville, Sinoe County

1. What role does LEITI plays for social contributions from extractive companies to benefit the ordinary citizen who lived in concession communities?
2. How are social contributions paid by companies from the extractive sector distributed in the counties that have concession?
3. Does every county that have extractive companies control their own money received from social contributions?
4. How can Beneficial Ownership help Government of Liberia to collect lawful revenue through taxes?
5. Is it compulsory for extractive companies operating in Liberia to contribute social payments only in cash?

#### IV CONCLUSION

The Engagement brought together participants from five counties (Grand Gedeh, River Gee, Maryland, Grand Kru and Sinoe Counties) in the Southeast as all of the participants received copies of presentation materials for interactive discussions. The participants at the engagement were members of the women group, men, youth/student community, the labor sector and the Fourth Estate (Press Union). Most of the discussion was centered around enhancing the process of citizens knowing about the happening of LEITI and engaging county officials during county sitting to discuss how revenue from companies operating in the extractive sector of Liberia will benefit the citizens and their counties through development and other initiatives thereof. This engagement allowed discussion of issues and problems faced by citizens relative to revenue collected by government from the extractive companies as reported in LEITI's 12<sup>th</sup> EITI Report for Liberia and other EITI activities ongoing in Liberia. The issue of social contributions paid by companies operating in the extractive sector of Liberia was the core center of discussion in all five counties that the engagements forum



was held. Almost all of the questions asked were focused on social contributions paid by companies operating in concession communities.

## **V KEY FINDINGS AND RECOMMENDATIONS**

### **a. For engagement**

The halls provided in all five counties were large and hosted participants who attended the engagement forum. Due to the new wave of COVID-19 and taking into account health measures put into place by health authority to kick the pandemic out of Liberia, there were buckets available at all entrances in the five counties for hand wash. Distances were kept during all of the meetings as all participants were seen wearing their nose masks.

### **b. For Presentation Submission**

Following what was termed as a wonderful engagement meeting by the team and participants, it was established that in order to have a successful LEITI awareness program going further in the counties, participants suggested that the following recommendations should be kindly adhered to:

- LEITI should kindly list all extractive companies that made social contributions and the amount contributed in its presentation for every fiscal period so that participants will have an idea of what is happening in the extractive sector so as to use the data provided to engage their county officials.
- That the US\$5.00 given for sitting fees be kindly increased to US\$10.00 for feeding and transportation reimbursement so that participants covering long distances will make their way to such an important engagement forum going further.
- That LEITI kindly carry on such engagement exercise on a semi-annual basis to keep citizens abreast about happenings in the extractive sector and its contributions to the revenue generation of Liberia.

## **VI ANNEX**

- i. Presentation Copies
- ii. Attendance